

FILED
SEP 22 2005
EUGENE R. WEDOFF
BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:

EMERALD CASINO, INC.,

Debtor.

Case No. 02 B 22977

Chapter 11

**FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER AWARDING TO
KIRKLAND & ELLIS LLP, ATTORNEYS FOR DEBTORS, FOR ALLOWANCE AND PAYMENT OF
INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD APRIL 1,
2005 THROUGH JUNE 30, 2005**

TOTAL FEES REQUESTED:	\$374,181.00	TOTAL COSTS REQUESTED:	\$17,231.29
TOTAL FEES REDUCED:	\$ 4,880.50	TOTAL COSTS REDUCED:	\$ 0.00
TOTAL FEES ALLOWED:	\$369,300.50	TOTAL COSTS ALLOWED:	\$17,231.29

TOTAL FEES AND COSTS ALLOWED: \$386,531.79

THE COURT HAS UNDERLINED THE ATTACHED TIME AND EXPENSE ENTRIES THAT HAVE BEEN DISALLOWED IN WHOLE OR IN PART. THE NUMERICAL NOTATION THAT APPEARS ON THE RIGHT SIDE OF EACH HIGHLIGHTED ENTRY DISCLOSES THE BASIS FOR EACH DISALLOWANCE. THE NUMERICAL NOTATIONS REFER TO THE ENUMERATED PARAGRAPHS BELOW.

(1) Duplication of Services

The Court denies the allowance of compensation for services that duplicate those of another professional or paraprofessional. See 11 U.S.C. § 330(a)(4)(A)(i). Also, when more than one attorney appears in court on a motion or argument or for a conference, no fee should be sought for non-participating counsel. *In re Pettibone*, 74 B.R. 293, 307 (Bankr. N.D. Ill. 1987) ("A debtor's estate should not bear the burden of duplication of services. If found in the record, such duplication shall be disallowed by the court as unnecessary.").

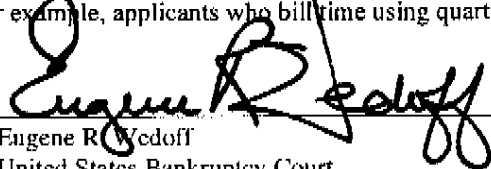
(2) Unreasonable Time

The Court denies the allowance in part of compensation for the following task since the professional or paraprofessional expended an unreasonable amount of time on this task in light of the nature of the task, the experience and knowledge of the professional performing the task, and the amount of time previously expended by the professional or another on the task. *In re Pettibone*, 74 B.R. 293, 306 (Bankr. N.D. Ill. 1987) ("The Court will determine what is the reasonable amount of time an attorney should have to spend on a given project...An attorney should not be rewarded for inefficiency. Similarly, attorneys will not be fully compensated for spending an unreasonable number of hours on activities of little benefit to the estate." *In re Wildman*, 72 B.R. 700, 713 (Bankr. N.D. Ill. 1987) (same)).

(3) Proper Time Increments for Billing

The court may impose a ten percent penalty for using improper time increments for billing. "Professional persons . . . cannot, in all honesty and reasonableness, charge their clients for increments in excess of one-tenth of an hour." *In re Wildman*, 72 B.R. 700, 726 (Bankr. N.D. Ill. 1987). This penalty will be imposed where time increments larger than one-tenth of an hour are being used. For example, applicants who bill time using quarter-hour increments risk the ten percent penalty.

Dated: September 22, 2005


Eugene R. Wedoff
United States Bankruptcy Court

Emerald Casino, Inc.
Legal Services for the Period Ending April 30, 2005
May 25, 2005

<u>Date</u>	<u>Hours</u>	<u>Name</u>	<u>Description</u>
4/18/05	7.50	Robert D Snow, Jr.	Review hearing transcript and docket for pleadings to be sent to V. Casini and review hearing transcripts and draft index for same (2.0); review files for chronology of proceedings (4.5); conference with W. Lancaster and S. Edenfield re IGB claims against Emerald and response to same (.8); telephone conference with V. Casini and J. McMahon re legal strategy for administrative proceedings (.2).
4/19/05	5.80	Joseph U Schorer	Telephone conference with J. Sprayregen via voicemail re issues with Rosemont re status report (.1); telephone conference via voicemail with J. Schink re same (.2); telephone conference with W. Lancaster re same (.1); telephone conference with J. McMahon re same (.1); further telephone conference with W. Lancaster re same (.1); telephone conference with H. Kaplan re IGB status report (.2); telephone conference with J. Sprayregen re office meeting with Committee and Rosemont lawyers (.2); telephone conferences in person or via voicemail with J. Schwartz, H. Kaplan, and R. Stephenson re follow-up to meeting on coordination issues (.1); office conference with Rosemont and Committee lawyers re coordination (2.5); prepare for office conference with Rosemont and Committee lawyers re coordination and follow-up on such meeting (2.2).
4/19/05	3.80	Sven T Nylén	① Prepare for and attend conference with J. Schorer, J. McMahon, W. Lancaster, R. Stephenson, S. Barbatano, D. Goroff, H. Kaplan, J. Schwartz and G. Nash re tenth status report and case strategy (3.3); review voicemails from J. Schorer re same (.2); telephone conference with R. Davis re same (.1); review article re administrative agency settlement agreements and circulate same to K&E attorneys (.2).

Emerald Casino, Inc.
7 Case Administration

Legal Services for the Period Ending May 31, 2005

Description of Legal Services

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Description</u>
5/02/05	Jane B Mackie	.70	Prepare correspondence re distribution of draft motion (.3); review and distribute motion for attorney review (.4).
5/03/05	Sarah Sanchez	1.30	Gather and organize materials for motion to expand and allocate times for oral argument in Crusius litigation and prepare for service to all parties re same.
5/03/05	David Andrews	1.00	File documents at Bankruptcy Court.
5/04/05	Sarah Sanchez	3.50	Gather and organize materials re Crusius case (1.2); review case file materials and electronic database re same (1.8); review court docket re same (.5)
5/04/05	Courtney Kohout	4.80	Gather, organize and index documents re Crusius case.
5/05/05	Toni L Wallace	.70	Review docket for newly filed pleadings (.2); update docket on network drive (.5).
5/05/05	Sarah Sanchez	.30	Review case file for materials re administrative proceeding and license application (.2); gather materials for distribution to team (.1).
5/05/05	Courtney Kohout	7.00	Gather and organize documents re Crusius case and update index re same.
5/06/05	Sarah Sanchez	1.30	Gather and organize pleadings in preparation for filing (.2); prepare service of same (.1); review materials received from off-site storage in search for materials received from Ungaretti and Harris re disciplinary proceeding (.9); conference with C. Chui re same (.1).
5/06/05	David Andrews	1.00	File documents at Bankruptcy Court.
5/09/05	Raoul D Fention	3.00	Review and organize documents received from Ungaretti & Harris re disciplinary proceeding.

Emerald Casino, Inc.
7 Case Administration

Legal Services for the Period Ending May 31, 2005

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Description</u>
2003 5/09/05	David Andrews	1.00	File documents at Bankruptcy Court.
5/10/05	Raoul D Fention	7.00	Review and organize documents received from Ungaretti & Harris re disciplinary proceeding.
5/10/05	Courtney Kohout	4.80	Review witness file for documents received from Ungaretti and Harris (2.0); gather and organize same (2.3); collect and organize documents re 1997 Illinois Gaming Board meeting minutes (.5).
5/11/05	Raoul D Fention	7.00	Review and organize documents received from Ungaretti & Harris re disciplinary proceeding.
5/11/05	Sarah Sanchez	4.00	Review witness files for documents listed on index of key documents received from Ungaretti and Harris (2.7); gather and organize documents re same (1.0); gather and organize materials in preparation to be sent to Clifford Law Offices. (.3).
5/11/05	Angela S Dhake	6.80	Review witness files for documents listed on index of key documents received from Ungaretti and Harris (3.0); gather and organize documents re same (3.8).
5/11/05	Courtney Kohout	2.80	Review witness files for documents re index of key documents received from Ungaretti and Harris (1.5); gather and organize same (1.3).
5/12/05	Raoul D Fention	7.00	Review production and gather documents relevant to index of key documents received from Ungaretti & Harris.
5/12/05	Sarah Sanchez	7.00	Review witness files for documents listed on index of key documents received from Ungaretti and Harris and organize same for Clifford Law Offices.
5/12/05	Angela S Dhake	6.80	Review witness files for documents listed on index of key documents received from Ungaretti and Harris and organize same.
5/13/05	Raoul D Fention	3.80	Review production and gather documents relevant to index of key documents received

Emerald Casino, Inc.
7 Case Administration

Legal Services for the Period Ending May 31, 2005

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Description</u>
			from Ungaretti & Harris.
5/13/05	Sarah Sanchez	5.50	Review witness files for documents listed on index of key documents received from Ungaretti and Harris and organize same (4.4); gather and organize disciplinary proceeding materials to be sent to Clifford Law Offices (.7); conference with R. Snow re same (.3); telephone conference with J. Karnezis re same (.1).
5/13/05	Angela S Dhake	5.30	Review witness files for documents listed on index of key documents received from Ungaretti and Harris and organize same.
5/16/05	David Andrews	1.00	File documents at Bankruptcy Court.
5/16/05	Angela S Dhake	6.80	Gather and organize documents received from Ungaretti and Harris.
5/16/05	Courtney Kohout	4.00	Review and organize case files to be sent to J. Karnezis at Clifford Law Offices.
5/17/05	Angela S Dhake	6.80	Gather and organize copies of disciplinary proceeding documents received from Ungaretti and Harris.
5/18/05	Sarah Sanchez	.50	Gather and organize disciplinary proceeding materials in preparation to be sent to Clifford Law Offices.
5/18/05	Angela S Dhake	6.80	Organize witness files to be sent to J. Karnezis.
5/18/05	Courtney Kohout	3.30	Review and organize pleadings.
5/19/05	Courtney Kohout	6.80	Review and organize pleadings.
5/20/05	Courtney Kohout	5.50	Review and organize Emerald Casino documents re Crusius case.
5/24/05	David Andrews	1.00	File documents at Bankruptcy Court.
5/26/05	Scott F Walker	.60	File documents at Bankruptcy Court.
5/31/05	Scott F Walker	.70	File documents at Bankruptcy Court.

Emerald Casino, Inc.
13 Fee/Employment Applications

Legal Services for the Period Ending May 31, 2005

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Description</u>
		(1) (2)	(.7); office conference with S. Nylen re same (.1); <u>attend Emerald hearing on same (1.6)</u> ; further office conference with S. Nylen re same (.1); further office conference with S. Nylen re same (.3); further office conference with S. Nylen re same (.2); work on matters re Clifford retention (1.8).
5/10/05	Sven T Nylen	5.60	Review voicemails from J. Schorer re hearing on Clifford application (.2); draft briefing summaries for hearing on Clifford retention and prepare briefing binder (1.3); prepare for and meet with B. Clifford prior to hearing and discuss potential Committee issues re retention (.8); <u>attend hearing on Clifford retention (.6)</u> ; attend follow-up meetings with client, B. Clifford, J. Schorer, J. Schwartz and H. Kaplan after hearing re Clifford retention (.5); telephone conference with J. Schorer and J. Schwartz re same (.5); telephone conference with J. McMahon re same (.1); telephone conference with M. Krzak re same (.1); review Committee's proposed order (.2); prepare for and attend telephone conference with J. Schorer, H. Kaplan, J. Schwartz, G. Nash, J. Karnezis and M. Krzak re same (.5); follow-up office conferences with J. Schorer re same (.7); follow-up telephone conference with J. McMahon re same.
5/10/05	Claude W Irmis	.70	Search, retrieve, assemble and distribute contingency fee application precedent.
5/11/05	Joseph U Schorer	1.90	Telephone conference with H. Kaplan re Clifford retention (1.1); telephone conference with J. McMahon re same (.1); office conference with J. Sprayregen re Clifford retention (.1); office conference with S. Nylen re same (.1); consider committee's issues with Clifford retention (.5).
5/11/05	Sven T Nylen	3.80	Review voicemails from J. Schorer re Clifford retention (.2); mark-up Committee's proposed Clifford retention order (.5); review Rothschild retention order and transcript from hearing re same in connection with

Emerald Casino, Inc.
19 Post-Confirmation / Consummation

Legal Services for the Period Ending May 31, 2005

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Description</u>
			preparation for Crusius argument (.3); draft motion to amend DIP credit agreement (3.0).
① 5/05/05	Steven A Engel	1.80	Review moot court briefs re Crusius.
5/05/05	Amanda C Basta	3.00	Analyze cases re legislative discretion.
5/05/05	Legislative Research	2.00	Legislative research re history of Riverboat Gambling Act.
5/05/05	Joseph A Eisert	4.20	Research re amendments to gaming act (.7); legal research re legislative means, standard of review legislative intent, deference to agencies, and other related issues (2.5); draft motion to expand and allocate time for oral argument (1.0).
5/05/05	Robert R Gasaway	6.00	Prepare for Illinois Supreme Court argument in Crusius suit.
5/05/05	Steven J Harper, P.C.	2.20	Review materials for moot court argument re Crusius suit.
5/06/05	Joseph U Schorer	1.20	Telephone conference with R. Gasaway re Crusius matters (.1); telephone conference via voicemail with J. Sprayregen re Crusius matters (.1); telephone conference with W. Quinlan re Crusius matters (.8); telephone conference with J. Schwartz re same (.1); telephone conference with R. Gasaway re same (.1).
5/06/05	Sven T Nylén	4.70	Draft motion to amend credit agreement and revise same per internal and client comments (3.3); review letter from Isle of Capri re latest status report (.1); review voicemails from J. Schorer re current case status (.1); review Rosemont's informational brief filed with IGB (1.2).
① 5/06/05	Steven A Engel	2.50	Prepare for and attend moot court.
5/06/05	Amanda C Basta	2.00	Attend moot court re Crusius.
5/06/05	Joseph A Eisert	10.50	Review briefs for Crusius moot court (2.8); attend moot court re oral argument (2.2); legal research re Riverboat Gambling Act and historical versions (3.2); record cites and

Emerald Casino, Inc.
19 Post-Confirmation / Consummation

Legal Services for the Period Ending May 31, 2005

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Description</u>
			letter re notice of same (.7); review and revise motion to expand and allocate times for oral argument (1.6).
5/06/05	Robert R Gasaway	7.40	Prepare for Crusius moot court (1.2); participate in moot court to prepare for argument (2.5); prepare list of follow-up tasks in light of moot court (.5); review authorities to prepare for argument (2.0); participate in telephone conferences with co-parties re argument (1.2).
5/06/05	Steven J Harper, P.C.	3.00	Review briefs and related materials for moot court argument in Illinois Supreme Court.
5/06/05	Ashley C Parrish	.50	Telephone conference with W. Quinlan, J. Schorer, G. Nash, J. Schwartz, and R. Gasaway re oral argument before the Illinois Supreme Court.
5/07/05	Amanda C Basta	3.50	Analyze case law re legislative means and agency deference.
5/07/05	Joseph A Eisert	8.00	Legal research re additional items raised during moot court (5.8); draft outline re same (2.2).
5/08/05	Joseph U Schorer	2.00	Review various plans and consider impact impending retention of Clifford firm and relationship to bankruptcy plan.
5/08/05	Sven T Nylen	.60	Review voicemail from J. Schorer re effect of Clifford retention on confirmed plan (.1); retrieve plan and circulate to J. Schorer (.2); review plan in connection with same issue (.3).
5/08/05	Robert R Gasaway	6.50	Prepare for argument to Illinois Supreme Court.
5/09/05	Joseph U Schorer	2.90	Telephone conference with V. Casini re Crusius argument (.3); telephone conference with J. Sprayregen via voicemail and with J. McMahon re same (.1); attend moot court on Crusius argument (2.0); work on matters re Crusius argument (.5).
5/09/05	Sven T Nylen	3.30	Review plan materials for any issues posed by

Emerald Casino, Inc.
19 Post-Confirmation / Consummation

Legal Services for the Period Ending May 31, 2005

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Description</u>
			Clifford retention and DIP amendment (1.3); prepare for and attend moot court re Crusius supreme court argument (2.0).
5/09/05	Joseph A Eisert	1.50	Review and revise judicial notice letter.
5/09/05	Robert R Gasaway	9.00	Prepare for moot court (5.0); participate in moot court to prepare for argument (1.5); prepare list of follow-up tasks in light of moot court (.5); 1/2 non-working travel time to Springfield for argument (2.0).
5/09/05	Steven J Harper, P.C.	2.50	Attend moot court for Illinois Supreme Court argument (2.0); conference with team for strategy re same; review materials re same (.5).
5/09/05	Ashley C Parrish	6.50	1/2 non-working travel time to Springfield Illinois for oral argument (2.0); prepare for oral argument by reviewing briefing and key cases (4.5).
5/09/05	Robert D Snow, Jr.	3.00	Telephone conference with J. Eisert and Illinois Supreme Court re filing requirements for judicial notice documents (1.0); <u>attend moot court argument for Crusius matter (2.0).</u>
5/10/05	Sven T Nylén	2.30	Review 1997 IGB minutes re inability to authorize relocation in connection with Crusius argument (.7); telephone conferences with J. McMahon, R. Snow and R. Gasaway re same (.1); review Rosemont's intervention motion and exhibits filed with IGB (1.5).
5/10/05	Amanda C Basta	7.00	Analysis of cases successfully challenging legislation on special legislation grounds.
5/10/05	Joseph A Eisert	3.30	Legal research re special legislation and related issues.
5/10/05	Robert R Gasaway	13.00	Attend arguments at the Illinois Supreme Court to prepare for oral argument (1.7); review cases and prepare argument (11.3).
5/10/05	Ashley C Parrish	9.50	Review and analyze IGB meeting minutes (.5); revise and edit oral argument outline (4.5); complete additional research re oral argument issues and re special legislation challenges